

port or export, if permitted by the Policy, shall be in accordance with the provisions of the policy and the Handbook of Procedures.

- (b) The counter trade shall be carried out through ESCROW accounts opened in commercial banks in India in the names of the exporters of the Republics of the erstwhile Czechoslovakia, Romania and Poland. Such accounts shall be opened with the prior approval of the Reserve Bank of India. The accounts shall be designated in freely convertible currency as approved by the Reserve Bank of India.
- (c) The imports into India from the Republics of the erstwhile Czechoslovakia, Romania and Poland shall first be carried out and payments for such imports credited in the ESCROW account. Exports from India shall take place thereafter to the extent funds are available in the ESCROW account.
- (d) The operation of the ESCROW accounts shall be subject to such other terms and conditions as the Reserve Bank of India may stipulate.

C. Import or Export through third Countries

Import and export of goods between India and the Republics of the erstwhile Czechoslovakia, Romania and Poland may take place through third countries also in accordance with the provisions stipulated in paragraph A and B above.

D. Imports or Exports by 100 per cent EOUs and EPZ/FTZ Units

100 per cent EOUs and units in EPZs/FTZs can also undertake counter trade arrangements in accordance with the provisions of this Public Notice in respect of the items approved for manufacture by them, notwithstanding the provisions of RBI Circular A.D. (M.A. Series) Circular No. 2 dated 18th February, 1992.

2. The trade transactions covered by this Public Notice shall be in conformity with the laws and regulations of India and the respective countries, including their trade and exchange control regulations. The Governments of the countries shall not be responsible for the liabilities of their natural and judicial persons arising from such transactions.

3. This issues in public interest.

C. K. MODI, Director General of Foreign Trade